

GENERAL PROVISIONS FOR CONTRACTED LABOR
GP-CL Rev. 2 10/29/04

GENERAL PROVISIONS FOR CONTRACTED LABOR GP-CL Rev. 2 10/29/04	1
1.0 DEFINITIONS	2
2.0 ORDER OF PRECEDENCE	2
3.0 ADMINISTRATION	2
4.0 INDEPENDENT CONTRACTOR	2
5.0 CONTRACTOR'S PERSONNEL	3
6.0 INDEMNITY	3
7.0 NUCLEAR SAFETY AND INDEMNITY	3
8.0 ASSIGNMENT	3
9.0 CHANGES	3
10.0 STOP WORK and SUSPENSION	4
11.0 TERMINATION FOR CONVENIENCE	4
12.0 LAWS AND REGULATIONS	4
13.0 RESOLUTION OF DISPUTES	4
14.0 TAXES	5
15.0 INVOICING AND PAYMENT	5
16.0 CONFIDENTIAL INFORMATION	5
17.0 CONTRACT TYPE AND SERVICES LIMITATION	6
18.0 SUBCONTRACTS	6
19.0 PROPRIETARY RIGHTS	6
20.0 SCHEDULE, COORDINATION AND REPORTING	6
21.0 VALIDITY OF PROVISIONS	6
22.0 WAIVER	6
23.0 BUYER'S MATERIALS AND EQUIPMENT	7
24.0 TRAVEL	7
25.0 UNCLASSIFIED COMPUTER SECURITY REQUIREMENTS	7
26.0 WORK RULES	7
27.0 GRATUITIES	7
28.0 DEAR 952.204-2 Security (Sept 1997)	7
29.0 ACCOUNTS RECORDS AND INSPECTION	8
30.0 CLAUSES INCORPORATED BY REFERENCE	9

1.0 DEFINITIONS

Whenever used in this document, the following definitions shall be applicable unless the content indicates otherwise:

The term “**Buyer**” shall mean the company (under DOE Prime Contract No. DE-AC06-96RL13200) entering into this Contract with the Contractor. The term “**buyer**” shall mean the Contract Specialist or authorized purchasing agent representing the company issuing this Contract.

Contractor shall mean the company, person, or organization performing work under this Contract. For FH Contracting purposes, the term “Contractor” generally refers to vendors, sellers, and suppliers.

Contract, this agreement between Buyer and Contractor; also includes purchase order, task orders, releases and other agreements.

Government, the United States of America including the U.S. Department of Energy (DOE) and/or any duly authorized representative of it.

Service, a service of a type offered and sold competitively in substantial quantities in the commercial marketplace based on published or market prices.

2.0 ORDER OF PRECEDENCE

Inconsistencies shall be resolved according to the following descending order of precedence: (1) item description, (2) the Contract document, (3) special provisions set forth in the body of the Contract and (4) these Provisions.

3.0 ADMINISTRATION

Contractor, by signing this Contract or starting performance, agrees to comply with the terms and conditions, specifications and other documents that this Contract incorporates by reference or attachment. The specifications, drawings and documents referred to herein is the entire agreement between the parties. Prior negotiations, proposals, and correspondence pertaining to this Contract, or the subject matter hereof, are superseded. Contractor terms and conditions set forth on standard forms shall not be part of this Contract unless incorporated by modification into this Contract.

In the event any provision, or any part or portion of any provision of this Contract should be found to be invalid, void or otherwise unenforceable, such finding shall not affect the remaining part or portions of that provision, or any other provision.

4.0 INDEPENDENT CONTRACTOR

Contractor is an independent contractor for all purposes **and shall assert no claim predicated on co-employment or wage/hour theory**. In no event shall Contractor, its agents, representatives, or personnel that it supplies to Buyer under this Contract be deemed to be employees of the Buyer. Contractor's employees shall be paid exclusively by Contractor for all services performed and Contractor shall be responsible for and shall actually comply with all requirements and obligations relating to such employees under local, state or federal law (or foreign law as applicable) including, but not limited to, minimum wage, social security, unemployment insurance, state and federal income tax, and workmen's compensation. Buyer has no responsibility for withholding any portion of salary or wages due employees of Contractor to comply with any of the aforementioned taxes or obligations.

5.0 CONTRACTOR'S PERSONNEL

Contractor warrants that all services supplied by Contractor in performance of this Contract shall be supplied by personnel who are careful, skilled, experienced and competent in their respective trades or professions. At any time and for any reason, Buyer may require Contractor to withdraw the services of any person and, in addition, request that Contractor promptly provide replacements for such persons satisfactory to Buyer. In addition to the other indemnification provisions within this Contract, Contractor specifically agrees to indemnify and hold harmless Buyer, from and against any liabilities, claims, charges, or suits for alleged losses, costs, damages or expenses arising from Buyer's exercise of its rights under this Article.

6.0 INDEMNITY

Contractor agrees to assume the risk of and to release, defend, indemnify and hold harmless the Buyer, Government, affiliated companies and their directors, officers, employees, agents and representatives, from and against all loss, damage, liability, cost and expense (including attorney's fees) arising out of any (1) failure to comply with any law, ordinance, regulation, rule or order, (2) injury (including death) to any person or (3) damage to any property in any way connected with the performance of this Contract in accordance with the State of Washington Comparative Fault Statute (RCW 4.22). Contractor agrees to indemnify, hold harmless and defend Buyer and the Government from and against all laborers', materialman's, mechanics', or other liens arising from the performance of Contractor's obligations under this Contract and shall keep the premises of Buyer and the Government free from all such claims, liens, and encumbrances.

To the extent that the Contractor, Contractor's workers or subcontractors are covered by the Washington Industrial Insurance Act (RCW Title 51 including any amending, substitute or replacement statutes) or any other industrial insurance, worker's compensation or similar act (Acts), Contractor specifically waives any and all immunity provided by these Acts.

7.0 NUCLEAR SAFETY AND INDEMNITY

The provisions of 48 CFR 952.250-70, Nuclear Hazards Indemnity Agreement, are incorporated by reference into these terms and conditions for the delivery of any product or service that has nuclear safety implications. Contractor shall flow down these provisions to all subcontractors and suppliers unless expressly waived in writing by Buyer.

Contractor will be indemnified by the U.S. Department of Energy (DOE) against (1) claims for public liability, and (2) legal costs arising from any nuclear incident under the provisions of 48 CFR 952.250-70. However, Contractor and its subcontractors and suppliers that are indemnified are subject to civil penalties under provisions of the Atomic Energy Act of 1954, as amended, for violations of DOE nuclear safety related rules, regulations, and orders. In addition, directors, officers, and employees of Contractor and its subcontractors and suppliers that are indemnified are subject to criminal penalties for knowing and willful violations.

8.0 ASSIGNMENT

Neither this Contract nor any portion hereof shall be assigned or delegated without Buyer's prior written consent. Buyer reserves the right to assign this Contract to Government or its designee, and in case of such assignment and by notice to the Contractor, Buyer shall have no further Contract responsibility.

9.0 CHANGES

No substitutions shall be made in this Contract without the prior written consent of the Buyer. The Contractor shall promptly comply with any change directed by the Buyer. If any change affects the price of or the time required for performance, Contractor shall identify the impact as soon as practical and request an equitable adjustment within 60 days of the change notice. The equitable adjustment to the price and/or delivery requirements and other affected

provisions of the Contract shall be made by a mutual agreement and modification to this Contract in a timely manner.

10.0 STOP WORK AND SUSPENSION

The Buyer may suspend the Contractor's right to perform any part of or all of this Contract for an indefinite period.

If any such suspension is not due to the fault or negligence of the Contractor and significantly delays the progress or causes the Contractor additional direct expenses in the performance of the Contract, Contractor's claim for compensation must be supported by appropriate documentation within ten (10) calendar days from the date performance resumes or 30 days after the suspension notice.

If the Contractor fails to comply with any Contract terms or to make sufficient progress as to endanger performance, the Buyer may suspend or terminate this Contract for cause. In the event of termination for cause, the Buyer shall be liable only for any service accepted. The Buyer may complete Contract performance by any reasonable means and the Contractor shall be responsible for additional costs incurred by the Buyer.

11.0 TERMINATION FOR CONVENIENCE

The Buyer may, at its sole discretion, terminate the Contract in total or any portion not completed by giving the Contractor written notice. Upon notice of termination, the Contractor shall, unless otherwise directed in writing, discontinue all performance on the date specified in the notice and take action to minimize costs to the Buyer. Payment for items and/or services already completed or in the process of completion shall be adjusted between the Buyer and the Contractor in a fair and reasonable manner, but such payment shall exclude any allowance for the uncompleted portion of the item and/or service, or any anticipated profits thereon. Such payments shall not exceed the total value of the Contract prior to termination for convenience.

12.0 LAWS AND REGULATIONS

Contractor shall comply with all applicable federal, state and local laws and ordinances and all pertinent lawful orders, rules and regulations.

Contractor shall not, under any circumstances, cause or permit, in connection with the work to be performed hereunder, the discharge, emission or release of any hazardous substance and/or waste, pollutant, contaminant or other substance in violation of any applicable laws, rules or regulations which are now or hereafter promulgated by any governmental authorities having jurisdiction over the work. Contractor shall comply with all legal regulatory requirements applicable to the work performed under this Contract and shall be responsible for compliance with all hazardous waste, health and safety, notice, training, and environmental protection laws, rules, regulations and requirements. "Hazardous waste" includes all substances, which are or may be identified as such in 40 CFR, Part 261 or other applicable laws or regulations.

13.0 RESOLUTION OF DISPUTES

The Contractor and Buyer agree to make good-faith efforts to settle any dispute or claim that arises under this Contract through discussion and negotiation. If such efforts fail to achieve a mutually agreeable resolution, the parties agree to alternative disputes resolution (ADR) and to join in such arbitration proceeding as Buyer may determine appropriate. Parties shall submit to such jurisdiction and be bound by the judgment rendered according to the ADR rules. Contractor shall proceed diligently without interruption in the performance of this Contract pending final resolution of any dispute arising under this Contract between the parties hereto or between the Contractor and its subcontractors.

If ADR fails or is not used, the parties agree that the appropriate forum for resolution shall be a court of competent jurisdiction in the State of Washington.

No interest is payable to Contractor for any claim it may have, except that specifically imposed by a court of competent jurisdiction on any judgment (and then only from the date of the entry of judgment).

14.0 TAXES

The Contractor shall not assess and collect Washington State sales or use tax from the Buyer for materials with respect to this Contract. The Buyer, Fluor Hanford (Washington State UBI Number 601-678-024), is in possession of a DIRECT PAY PERMIT (number 27) issued by Washington State Department of Revenue, effective January 1, 2002 through December 31, 2005, and shall pay a use tax attributable to materials used in performing work under this Contract. A copy is available from the Buyer upon request. All other Federal, state, county, municipal or other sales, use, excise or similar taxes must be included in the Contract amount. If the Contractor, as a result of this Contract becomes eligible for Washington State Business and Occupation Tax Credit for Research and Development spending, the Contractor shall take such tax credit and assign such tax credit to the Buyer. Note that labor charges for construction and demolition services, which are applied to real property owned by the U.S. Department of Energy, are exempt from sales and use tax.

15.0 INVOICING AND PAYMENT

Contractor shall prepare all invoices in a form satisfactory to and approved by Buyer. Except to the extent expressly stated elsewhere in this Contract, payment terms shall be thirty (30) calendar days after receipt by Buyer of a proper invoice. All unit pricing, and payments made, shall be in U.S. dollars only, in the forms of cash, check or electronic transfer as may be agreed upon.

The amounts shall be computed by multiplying the appropriate hourly rates prescribed in this Contract by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis..

At Buyer's request, Contractor shall substantiate invoices by evidence by individual daily job timecards, or other substantiation approved by Buyer. Contractor shall furnish evidence, satisfactory to Buyer, that all invoiced costs have been paid for in full and that the work is not subject to liens or claims on account thereof. Buyer may withhold payment of invoices until Contractor furnishes such evidence. When requested by the Buyer, contractor shall furnish a release prior to the final payment.

Any invoice submitted, which fails to comply with the terms of this Contract, including the requirements of form and documentation, may be returned to Contractor. Any costs associated with the resubmission of a proper invoice shall be to Contractor's account. Final payment shall not relieve Contractor of any obligation under Contract guarantees.

Invoiced rates, travel, or other direct charges must be specifically defined in the contract to be allowable for reimbursement (unauthorized deviations may result in disapproval of such charges).

16.0 CONFIDENTIAL INFORMATION

Contractor shall not make news releases, publicize or issue advertising pertaining to the work or this Contract without first obtaining the written approval of Buyer.

Drawings, specifications and other information obtained by Contractor in connection with this contract shall be held in confidence by Contractor and shall not be disclosed to third parties or used by Contractor for any purpose other than for the performance of work or as authorized in writing by Buyer. All information furnished by Buyer or the Government to Contractor shall remain their property, and upon completion of the work Contractor shall, as requested by Buyer, either destroy or return such documentation including any copies thereof. Contractor agrees to make no news release nor to issue any advertising pertaining to the Work or this Contract without first obtaining the written approval of Buyer.

17.0 CONTRACT TYPE AND SERVICES LIMITATION

Unless otherwise identified and provided for in the body of this Contract, this Contract is a **Labor-Hour Contract** and direct labor hours are to be provided at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit.

Other Direct Costs (ODCs) associated with providing those services (such as duplicating, electronic media, travel) are only allowed if authorized in the body of the contract by the Buyer. Equipment, components, raw materials, etc. may not be provided under this contract. ODCs, when authorized, must be allocable, allowable and reasonable.

18.0 SUBCONTRACTS

Contractor shall not subcontract performance of all or any portion of the work under this Contract without first obtaining buyer acceptance in writing of the subcontracting and the subcontractor.

Contractor guarantees that its subcontractors have been fully informed of the terms of this Contract and that all applicable provision and requirements of this Contract are flowed down and invoked in such subcontracts.

19.0 PROPRIETARY RIGHTS

All materials which Contractor is required to prepare or develop in the performance and completion of Contractor's scope of work hereunder, including documents, calculations, maps, sketches, notes, reports, data, models and samples, and any and all inventions and copyrightable material contained therein, shall become the sole and exclusive property of Buyer. Contractor agrees to execute all documents and to take all steps requested by Buyer which are desirable to complete such ownership and property rights.

20.0 SCHEDULE, COORDINATION AND REPORTING

Daily work schedules, facility operations, and holidays are NOT consistent on the Hanford Site. Some organizations and facilities observe alternate Friday closures. Accordingly, the Contractor shall make specific schedule arrangements with Buyers Technical Representative in advance of performance.

Fluor Hanford will not be liable for the cost of any delays that result from Contractor's failure to obtain a specific schedule agreement in advance.

21.0 VALIDITY OF PROVISIONS

In the event any section, or any part or portion of any section of this Contract shall be held to be invalid, void or otherwise unenforceable, such holding shall not affect the remaining part or portions of that section, or any other section hereof.

The provisions of this Contract which by their nature are intended to survive the termination, cancellation, completion or expiration of this Contract shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration.

22.0 WAIVER

Buyer's failure to insist on performance of any term, condition, or instruction, or to exercise any right or privilege included in this Contract, or its waiver of any breach, shall not thereafter waive any such term, condition, instruction, and/or any right or privilege.

23.0 BUYER'S MATERIALS AND EQUIPMENT

Contractor shall at all times in accordance with the best practices and at no additional cost to Buyer, preserve and protect material and equipment used by Contractor in the execution of the work from damage or loss due to weather, fire, theft, unexplained disappearance or other similar casualty.

24.0 TRAVEL

Travel Costs are not allowable expenses unless authorized in the contract by the Buyer and such costs are in accordance with the Federal Travel Regulations.

25.0 UNCLASSIFIED COMPUTER SECURITY REQUIREMENTS

When made available by the Buyer as part of this Contract, Buyer's telecommunications and computer systems may be used only in performance of this Contract. Contractor will ensure that personnel who are allowed access to the Hanford Local Area Network (HLAN) understand and comply with Buyer's Computer Access and data security rules. Foreign Nationals may not be granted access until cleared by the Foreign National Visits and Assignments office.

When authorized to connect Contractor owned computers to HLAN, Contractor will:

- Identify a single contact responsible for coordinating appropriate controls with the Project Hanford Management Contract (PHMC) Computer Protection Program Manager (CPPM).
- Obtain approval from the CPPM prior to making any connections
- Ensure that any computer connected to the HLAN must be physically separated from any other network by Buyer approved means
- Allow Buyer unrestricted access to those computers for periodic inspection and to verify that all sensitive data is erased prior to final payment on the Contract (41 CFR 109-43).

26.0 WORK RULES

Contractor shall comply strictly with Buyer and the Government's rules governing the conduct of Contractor and Contractor's employees, agents, and subcontractors at and about the jobsite. Contractor agrees that it shall ensure that its supervisory personnel, employees, agents, and subcontractors at the jobsite comply strictly with such rules. Buyer reserves the right to, from time to time, revise any such rules and Contractor shall comply fully with such rules as revised in accordance with the foregoing provisions.

27.0 GRATUITIES

Contractor, its employees, agents or representatives shall not offer or give to an officer, official or employee of Buyer or the Government, gifts, entertainment, payments, loans or other gratuities to influence the award of a Contract or obtain favorable treatment under a contract.

28.0 DEAR 952.204-2 SECURITY (SEPT 1997)

- A. Responsibility. It is the Contractor's duty to safeguard all classified information, special nuclear material, and other DOE property. The Contractor shall, in accordance with DOE security regulations and requirements, be responsible for safeguarding all classified information and protecting against sabotage, espionage, loss and theft

of the classified documents and material in the Contractor's possession in connection with the performance of work under this Contract. Except as otherwise expressly provided in this Contract, the Contractor shall, upon completion or termination of this Contract, transmit to DOE any classified matter in the possession of the Contractor or any person under the Contractor's control in connection with performance of this Contract. If retention by the Contractor of any classified matter is required after the completion or termination of the Contract, the Contractor shall identify the items and types or categories of matter proposed for retention, the reasons for the retention of the matter, and the proposed period of retention. If the retention is approved by Buyer, the security provisions of the Contract will continue to be applicable to the matter retained. Special nuclear material will not be retained after the completion or termination of the Contract.

- B. Regulations. The Contractor agrees to comply with all security regulations and requirements of DOE in effect on the date of award.
- C. Definition of Classified Information. The term "Classified Information" means Restricted Data, Formerly Restricted Data, or National Security Information.
- D. Definition of Restricted Data. The term "Restricted Data" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954, as amended.
- E. Definition of Formerly Restricted Data. The term "Formerly Restricted Data" means all data removed from the Restricted Data category under Section 142d. of the Atomic Energy Act of 1954, as amended.
- F. Definition of National Security Information. The term "National Security Information" means any information or material, regardless of its physical form or characteristics, that is owned by, produced for or by, or is under the control of the United States Government, that has been determined pursuant to Executive Order 12356 or prior Orders to require protection against unauthorized disclosure, and which is so designated.
- G. Definition of Special Nuclear Material (SNM). SNM means (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which pursuant to the provisions of Section 51 of the Atomic Energy Act of 1954, as amended, has been determined to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.
- H. Security clearance of personnel. The Contractor shall not permit any individual to have access to any classified information, except in accordance with the Atomic Energy Act of 1954, as amended, Executive Order 12356, and the DOE's regulations or requirements applicable to the particular level and category of classified information to which access is required.
- I. Criminal liability. It is understood that disclosure of any classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any classified information that may come to the Contractor or any person under the Contractor's control in connection with work under this Contract, may subject the Contractor, its agents, employees, or subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq.; 18 U.S.C. 793 and 794; and Executive Order 12356).
- J. Subcontracts and purchase orders. Except as otherwise authorized in writing by Buyer, the Contractor shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this Contract.

29.0 ACCOUNTS RECORDS AND INSPECTION

- A. **Accounts.** Contractor shall maintain detailed, complete and accurate accounts, records, documents, and other evidence showing and supporting all costs and credits applicable to this contract. The system of accounts employed by the Contractor shall be in accordance with generally accepted accounting principles consistently applied.

B. Inspection and Audit of Accounts and Records. All books of account and records relating to this Contract shall be subject to inspection and audit by DOE, or its designees, including Buyer, at all reasonable times until a minimum of three years after the final payment has been made. The Contractor shall afford Buyer and DOE facilities for such inspection and audit.

C. Comptroller General

1. The Comptroller General of the United States, or an authorized representative, shall have access to and the right to examine any of the Contractor's directly pertinent records involving transactions related to this Contract or a subcontract hereunder.
2. This paragraph may not be construed to require the Contractor or subcontractor to create or maintain any record that the Contractor or subcontractor does not maintain in the ordinary course of business or pursuant to a provision of the law.

30.0 CLAUSES INCORPORATED BY REFERENCE

In as much as Government funds are being used to make payment against this Contract, the following Federal Acquisition Regulation (FAR) and Department of Energy Acquisition Regulations (DEAR) clause(s) are hereby incorporated by reference into this Contract and shall apply as applicable. For these specific provisions, Contractor means Contractor and Contracting Officer means the assigned Buyer. The text of the FAR/DEAR clauses may be obtained from the Buyer upon request or by linking to the regulations via the Buyer's INTERNET homepage at <http://www.hanford.gov/pmm/index.html>

- FAR 52.222-26 Equal Opportunity (E.O.11246) (Feb 1999)
- FAR 52.222-35 Affirmative Action for Special Disabled Veterans and Veterans of the Vietnam Era (April 1998)
- FAR 52.222-36 Affirmative Action for Workers with Disabilities (29 U.S.C. 793) (June 1998)
- FAR 52.222-37 Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (JAN 1999)
- FAR 52.222-41 Service Contract Act of 1965, as amended (May 1989)